

Comments Template on EIOPA-CP-11/006 Response to Call for Advice on the review of Directive 2003/41/EC: second consultation		Deadline 02.01.2012 18:00 CET
Company name:	Keills Limited	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. <i>Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the left and by inserting the word Confidential.</i>	Public
<p>The question numbers below correspond to Consultation Paper No. 06 (EIOPA-CP-11/006).</p> <p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> in column "Question". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question, keep the row <u>empty</u>. ⇒ There are 96 questions for respondents. Please restrict responses in the row "General comment" only to material which is not covered by these 96 questions. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific question numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple questions, please insert your comment at the first relevant question and mention in your comment to which other questions this also applies. ○ If your comment refers to parts of a question, please indicate this in the comment itself. <p>Please send the completed template to CP-006@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p>		
Question	Comment	
General comment	We are a property fund management business, and have over 60 years of experience of managing property assets for pension fund clients between the senior team.	

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	<p>We believe a consequence of the 2003 directive is that Defined Benefit schemes will no longer be able to hold either property or equities as an asset class if the directive is implemented in full. It would appear that the only valid assets will be short dated corporate bonds and sovereign debt. Reducing the type of assets available to back the potential liabilities of pension schemes will increase the risk of the schemes. Witness the trouble experienced in Europe recently - even sovereign debt has risks.</p> <p>Many pension schemes have very long dated liabilities and this longevity is only expected to increase as schemes mature and life expectancy increases.</p> <p>We believe that property as an asset class is very well suited to match the long term liabilities of pension funds. Moreover the cost of providing a pension backed by property is significantly cheaper than the forced buying of index linked bonds to 'risk match' in terms of the directive. At a time when capital is scarce we do not understand why pension funds are not increasing their allocation to property.</p> <p>As populations increase globally the scarce land resource that they use will become more valuable.</p> <p>Please confirm you have received our objection to the directive.</p>	
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